

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA**

IVAN S. COHEN, Derivatively on Behalf of
Nominal Defendant VERRICA
PHARMACEUTICALS, INC.,

Plaintiff,

v.

PAUL B. MANNING, TED WHITE, CRAIG
BALLARON, LAWRENCE EICHENFIELD,
DIEM NGUYEN, MARK PRYGOCKI, and
SEAN STALFORT,

Defendants,

and

VERRICA PHARMACEUTICALS INC.,

Nominal Defendant.

Case No. 2:24-cv-05561-MSG

JOINT STIPULATION TO STAY ACTION

This stipulation is entered by and between Plaintiff Ivan S. Cohen (“Plaintiff”) and Defendants Paul B. Manning, Ted White (“White”), Craig Ballaron, Lawrence Eichenfield, Diem Nguyen, Mark Prygocki, and Sean Stalfort, (collectively, “Defendants”), and Nominal Defendant Verrica Pharmaceuticals, Inc., (“Verrica”) (together with Plaintiff and Defendants, the “Parties”), the Parties to the above-captioned case (the “Action”), by and through their counsel of record. In support of the stipulation, the Parties state as follows:

WHEREAS, on October 21, 2024, Plaintiff filed this Action asserting claims derivatively on behalf of Verrica against Defendants for alleged violations of the federal securities laws and breaches of fiduciary duty;

WHEREAS, a related putative securities class action, filed on June 6, 2022, captioned *Gorlamari v. Verrica Pharmaceuticals, Inc., et al.*, No. 2:22-cv-02226-MSG (E.D. Pa.) (the “Securities Class Action”), is currently pending before this Court against Verrica and Defendant White;

WHEREAS, on November 27, 2024, Plaintiff filed a Designation Form with the Court in this Action to relate this Action to the Securities Class Action, and the Court accepted these cases as related on December 4, 2024;

WHEREAS, the underlying factual allegations in this Action and the Securities Class Action are substantially similar;

WHEREAS, to promote the efficient and orderly administration of justice, the Parties agree that this Action should be temporarily stayed on the terms set forth below;

THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between the Parties, and subject to the approval of the Court, that:

1. Pursuant to Federal Rule of Civil Procedure 4(d), Defendants hereby waive service of the summons and Complaint in this Action.
2. Except as to the defense of insufficient service of the summons and Complaint in this Action, Defendants do not waive and expressly reserve all rights, claims, and defenses, including, but not limited to, all jurisdictional defenses.
3. This Action is hereby temporarily stayed, and all deadlines in the Action and all disclosure and discovery obligations under the applicable local and federal rules, shall be held in abeyance during the pendency of the stay (the “Stay”).
4. During the Stay, Plaintiff may file an amended complaint in the Action.

5. During the Stay, Defendants shall not be required to answer, move against, plead, or otherwise respond to the Complaint or any amended complaint that Plaintiff may file.

6. During the Stay, Defendants shall notify Plaintiff if a stockholder derivative action, litigation demand, or books and records demand pursuant to 8 *Del. C.* § 220, arising from substantially similar or the same facts as alleged in this Action, is filed or made (a “Related Derivative Action” or “Related Derivative Demand”).

7. During the Stay, if Verrica produces documents in connection with a related books and records demand pursuant to *Del. C.* § 220, arising from substantially similar or the same facts as alleged in this Action, then Verrica shall provide a copy of such production to Plaintiff’s counsel within thirty (30) days of such production, subject to the execution by Plaintiff of a reasonable confidentiality agreement governing the use and disclosure of these materials, including the incorporation of any such materials in any amended complaint that Plaintiff may file in the Action.

8. The Stay shall be terminated upon: (i) public disclosure that a settlement or settlement-in-principle has been reached in the Securities Class Action; or (ii) either of the Parties provides the other Party thirty (30) days’ written notice that they no longer consent to the stay. Nothing herein shall affect the Parties’ right to move the Court to lift or extend the Stay, to move for a further stay, or to oppose any such motion(s).

9. Within thirty (30) days following the lift or termination of the Stay, the Parties shall meet and confer and submit a proposed scheduling order governing further proceedings in the Action. Until the Court rules on the Parties’ proposed schedule or otherwise enters an order setting a schedule for further proceedings, Defendants shall remain under no obligation to answer, move against, plead, or otherwise respond to the operative complaint in the Action.

10. The Parties agree and acknowledge that they expressly reserve all jurisdictional challenges, arguments, defenses, and claims not yet asserted, including, but not limited to, *forum non conveniens*, improper venue, and any other procedural or substantive rights, challenges, arguments, defenses, and claims to this Action.

SO STIPULATED AND AGREED by and between the parties this 16th day of December 2024.

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Counsel for Defendants

AND IT IS SO ORDERED

/s/ Mitchell S. Goldberg
Mitchell S. Goldberg, J.